UNIT 12 Business & Economics

Reading 1 The Gig Economy

The Gig Economy

The emergence of the gig economy has changed employment. A gig economy comes about when companies tend to hire freelancers, also known as "gig workers," rather than full-time or permanent employees. Jobs are flexible and temporary. (①) Gig workers taking these jobs connect directly with clients or customers, usually through an online platform. (②) There are estimates that as many as thirty percent of American workers are already involved in gig work. (③) There are many benefits to this kind of economy, both for workers and for the companies involved. (④) This is unlike permanent, full-time employees, who must accept whatever tasks their employers give them. (⑤) These freelancers can take on work that fits their schedules. They can also more readily make money by picking up extra projects.

1. Where is the best place to insert the sentence below?

<u>Gig workers can independently choose what jobs they want to take.</u>

① ② ③ ④ ⑤

2. What is most likely the topic of the paragraph that comes AFTER the given text?

① The role of workers in gig economy
② Companies benefiting from gig economy
③ Why labor unions are needed in gig economy
④ The global economic downturn caused by gig economy
⑤ Decrease in government revenue as a result of a reduction in full-time employment

This has benefits for companies, too. Companies that cannot afford to hire permanent employees can take on freelancers for short-term projects. _____(A)_____, companies are not charged payroll taxes on the money they pay to freelancers. More projects and less overhead mean these businesses make more money. Both gig workers and the companies that employ them have much more flexibility when compared with the traditional economy. _____(B)_____, one result of a gig economy is often cheaper and more efficient services. Think of Uber or Airbnb as examples.

3. Choose the correct words for (A) and (B).

	(A)	(B)
①	Besides	In addition
②	Additionally	Thus
③	Therefore	For example
④	However	Additionally
⑤	In other words	In effect

4. What is most likely the main idea of the paragraph?

① There are advantages that companies take advantages of in gig economy.
② In gig economy, companies cut costs through outsourcing.
③ Freelancers used to provide more efficient services in the conventional economy.
④ Companies do not hire full-time workers to reduce taxes in gig economy.
⑤ Uber and Airbnb have grown through tax cuts.

However, the gig economy has been viewed more critically in recent years, as certain negatives of the system have become _____. Given the greater freedom to move between jobs, workers now tend to feel less connection to their workplace and less enthusiasm for the work they do. As a result, businesses are finding it ever harder to hire and keep permanent, full-time staff. Some companies even say they have seen a drop in productivity—that is, neither full-time employees nor gig workers work as hard as fully permanent workforces did in the past.

5. Choose the word that best fits in the blank.

① popular
② profound
③ influential
④ obscure
⑤ apparent

6. What is the tone of the paragraph?

① promising
② skeptical
③ resentful
④ infuriated
⑤ contented

Nevertheless, the reduction in costs made possible by using gig workers likely (A) [offsets / outweighs] these negatives. More evident, however, are the downsides experienced by gig workers themselves. Legally speaking, gig workers are considered self-employed rather than employed. This means that they do not qualify for certain benefits. As a result, companies do not have to provide these workers with health insurance, pensions, or sick leave. (B) [Fortunately / Unfortunately], being self-employed also affects government benefits. Gig workers cannot receive unemployment insurance, as the government does not recognize them as having been employed. This became a particular issue during the COVID-19 pandemic, when large numbers of gig workers found that they did not qualify for government support.
There has been a growing push to provide gig workers with more protection and benefits. However, changes are slow in coming and are usually (C) [challenged / welcomed] by companies that use these workers. Like it or not, though, the gig economy is probably here to stay. In the end, it exists because businesses, workers, and customers all have something to gain.

In the COVID-19 pandemic era, self-employed people are in a blind spot of government protection and benefits. Therefore, even in the gig economy, employers, employees, and customers should _____A_____for a conclusion that will _____B_____ everyone.

7. Choose the correct words for (A), (B), and (C).

	(A)	(B)	(C)
①	offsets	Fortunately	challenged
②	outweighs	Unfortunately	challenged
③	outweighs	Fortunately	challenged
④	offsets	Unfortunately	welcomed
⑤	outweighs	Fortunately	welcomed

8. Choose the words that best complete the summary of the passage.

	A	B
①	jump	reach
②	go	exclude
③	try	be fair for
④	urge	protect
⑤	strive	benefit

Uber and Its "Employees"

Uber Technologies, Inc. is well known for being the "face" of the gig economy. First established in 2009, Uber has grown to become a global company, making billions of dollars yearly. And the way it did this was through the gig economy. You might think Uber ① provides transportation services, but this is not entirely the case. Instead, what Uber mainly provides is a connection between independent drivers and riders who want to hire them. Uber sets the fees and terms and then ② gets a share of each fare.

It is not surprising, then, that Uber is a big supporter of maintaining the gig economy. It is also one of the major companies ③ welcoming changes to the working conditions of gig workers. Drivers have gone to court, and legal changes have been proposed by governments. Nevertheless, both Uber and the US Department of Labor maintain that the drivers are "independent contractors" and thus do not qualify for benefits as full employees. Gig workers, for Uber and other large companies, continue to benefit from the flexibility such jobs can offer. But they still risk financial hardship when the economy is ④ bad.

However, a recent court decision in the UK could change things. The UK Supreme Court has ruled that Uber drivers are employees, not independent contractors. Uber will have to provide better payment or benefits to its UK workers. And no doubt, Uber drivers in other countries are hoping this will ⑤ inspire changes for them as well.

9. Which of the following underlined words is NOT suitable to the context?

① ② ③ ④ ⑤

10. What is NOT true, according to the passage?

① Uber earns billions of dollars annually since its establishment in 2009.
② Uber provides not transportation services, but connection between drivers and passengers.
③ Uber receives a share of each fare, depending on the fees and terms.
④ Uber drivers are not affected when the economy is bad.
⑤ The Supreme Court sees Uber drivers as employees, which is expected to changes to British drivers.

Reading 2 Evolving Wallets

Evolving Wallets

"Cash is king" was an expression one used to hear quite often. It was meant to suggest that, for customers and retailers alike, paper money was the most effective, direct, and powerful means of payment. Over the last twenty years, however, this old axiom might well have been adapted: the card became king. In recent years, contactless card payment has made using a card in-store quicker, more (A) [insecure / secure], and more hygienic. But (B) [intangible / physical] cards remain easy to lose and easy to steal. And, as lifestyles and consumer habits continue to change, our wallets are changing, too.

A major factor driving the payment revolution is the growth of e-commerce. If this was a large market pre-COVID-19, it is now vast. Recent estimations by Statista suggest that online retail may be worth more than $5 trillion by the end of 2021. In the past, banks and stores struggled to keep pace with online retail. Today, they are left with little choice. They are working with tech companies to improve and (C) [complicate / simplify] methods of payment to keep up with demand.

11. Choose the correct words for (A), (B), and (C).

	(A)	(B)	(C)
①	secure	physical	simplify
②	secure	intangible	complicate
③	secure	physical	complicate
④	insecure	intangible	simplify
⑤	insecure	physical	complicate

12. Why is the payment method changing rapidly?

① This is because non-contact payment has become possible through smartphones.
② This is because online shopping is popular without going out due to Covid-19.
③ This is because the government does not issue as much money as it used to.
④ This is because contactless payments were preferred for hygienic reasons.
⑤ This is because the e-commerce sector has grown rapidly.

Mobile wallets like ApplePay and GooglePay are perhaps the most widely adopted newer means of payment. ①These effectively gather all of a customer's bank cards into one smartphone, allowing them to authorize payments at the click of a fingerprint-reading button. ②Other forms of biometric authentication, like face and voice recognition, are also improving the security of mobile wallets. ③The number of smartphone owners increased from 2.5 billion people in 2016 to 3.8 billion in 2021 and is set to continue growing. ④Apple Pay currently accounts for 10 percent of all global card transactions. ⑤This makes mobile wallets an increasingly convenient and popular choice.

13. Choose the words that best fit in the blank.

① ② ③ ④ ⑤

14. What is most likely the title of the paragraph?

① Evolving Wallets
② Bank-led New Payment Method
③ A Credit Card Takes the Throne from Cash
④ The Most Used Payment Method: Smartphone
⑤ Smartphone, the Most Hygienic Payment Method

Stores are also trying ① to ensure a more convenient experience for customers. Mobile Point of Sale (POS) technology ② gives customers the ability to pay anywhere within a store or even at a market stall. By ③ carrying a small wireless device, staff effectively bring the register to the customer. This is a real advantage ④ because of the convenience of e-commerce has left many customers too impatient ⑤ to wait in slow-moving lines.

15. Which of the following is grammatically incorrect?

① ② ③ ④ ⑤

16. What is the closest meaning of the underlined part?

staff effectively bring the register to the customer.

① The modern register is not as big as it used to be, so you can carry it around.
② Shops have several cash registers to deal with more customers at once.
③ Smartphone payment is possible with wireless cash register.
④ Instead of waiting in line for the consumer to pay, the clerk comes and gets paid.
⑤ Payment methods continue to develop for consumers' convenience.

Avoiding close contact while shopping is also going to be a priority in a world adjusting to COVID-19. That's why some stores are making use of biometric authentication themselves. Customers at Amazon Go stores in the US need not even reach for their smartphones. They pay simply by scanning their hands. Amazon is clearly ahead of the times, but it plans to bring its technology to other stores soon.
Not everyone is convinced, however. Some shoppers may be resistant to handing over personal information like hand-prints to large corporations. They worry about how this data could be used.
Also, for some older people, or those without the money to purchase new technology, the pace of change may be too fast. The form money takes will almost certainly continue evolving. Even those who feel up-to-date may soon find themselves behind the times. Wallets, whether leather or mobile, may be living on borrowed time.

17. What is the closest meaning of the underlined part?

Wallets, whether leather or mobile, may be living on borrowed time.

① Smartphone payment methods are ahead of the times.
② The current payment method will soon be replaced by a new one.
③ No one else carries cash and pays in cash.
④ Payment methods have already evolved beyond imagination.
⑤ Leather wallets and mobile will to continue to exist longer than expected.

18. What is NOT true, according to the passage?

① There are shops where biometric payments can be made.
② Palm scans and face recognition are used to pay biometrically.
③ Some are reluctant to provide individual biometric information to businesses.
④ Some elderly people are not used to using new technologies.
⑤ Even those who quickly accept the latest technology can lag behind.

The Developing Digital Economy

The COVID-19 pandemic sank the world into a recession which caused the global economy to shrink by 4.3 percent in the first year alone. However, with stores closed and people mostly staying home, some e-commerce businesses saw their profits and stock prices rise sharply. Before the pandemic, Amazon, for example, was valued at $920 billion. One year later, it was worth $1.49 trillion.

(A) Dr. Amani Abou-Zeid is responsible for increasing access to the digital economy in the African Union. She leads the African Digital Transformation Strategy (ADTS). By installing a vast network of broadband cables across the continent, the ADTS plans to bring 300 million more African citizens online by 2025. Abou-Zeid hopes that African and international e-commerce businesses will pay for most of these developments. In her view, it is these companies that will benefit most in the long run. This is something Amazon's success would seem to confirm.

(B) Some other e-commerce businesses also made more money due to the virus outbreak. Mercado Libre provides similar services to Amazon in eighteen South American countries. Its business doubled during the pandemic. However, very few companies gained financially from the virus, and those that did were mostly based in the US or China.

(C) Obviously, the benefits of the digital economy are not open to everyone. Already at an economic disadvantage, many developing nations run the risk of being left further behind. In those countries, face-to-face deals often remain the best, most secure way to shop, and cash is still the primary means of payment. Across Africa, for example, it is estimated that only twenty-two percent of people have access to the internet.

19. What is the correct order of the paragraphs?

① (C)-(B)-(A)
② (A)-(C)-(B)
③ (B)-(A)-(C)
④ (C)-(A)-(B)
⑤ (B)-(C)-(A)

20. Which of the following is the best to describe the writer's opinion?

① The cost of installing the Internet infrastructure in Africa should be paid by large companies such as Amazon.
② In the COVID-19 pandemic, developing countries with poor Internet access will not be able to develop their economies well.
③ Amazon will be able to make a fortune by investing in building facilities in Africa.
④ Promoting consumption in e-commerce in Africa will determine Amazon's future success.
⑤ Some companies made money from the COVID-19 pandemic, but it is still difficult to use the Internet in places like Africa.

Answer Key

1. ④
2. ②
3. ②
4. ①
5. ⑤
6. ②
7. ②
8. ⑤
9. ③
10. ④
11. ①
12. ⑤
13. ④
14. ①
15. ④
16. ⑤
17. ②
18. ②
19. ⑤
20. ⑤